

COUNTY COUNCIL

OF

HARFORD COUNTY, MARYLAND

BILL NO. 10-18

Introduced by Council President Boniface at the request of the County Executive

Legislative Session Day No. 10-14

Date: May 18, 2010

A BILL to authorize and empower Harford County, Maryland to borrow, on its full faith and credit, and issue and sell its bonds or other form of indebtedness therefore (including lease financing), in an amount not to exceed Thirty-Seven Million Five Hundred Thousand Dollars (\$37,500,000) principal amount, the proceeds thereof to be used for the expansion, reconstruction, rehabilitation, renovation and improvement of certain projects as described in the Annual Budget and Appropriation Ordinance, as amended, Bill No. 10-13, As Amended, for the year ending June 30, 2011 and as described in this Bill (collectively the "Projects") in accordance with Section 524 of the Charter of Harford County ("Charter") and Section 123-40 of the Code of Harford County ("Code") or as otherwise permitted by law authorizing the County

By the Council, May 18, 2010

Introduced, read first time, ordered posted and public hearing scheduled

on: June 15, 2010

at: 6:00 pm

By Order: Barbara G. O'Connor Council Administrator

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on June 15, 2010, and concluded on June 15, 2010.

Barbara G. O'Connor Council Administrator

EXPLANATION:

CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [BRACKETS] indicate matter deleted from existing law. Underlining indicates language added to Bill by amendment. Language lined through indicates matter stricken out of Bill by amendment.

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OF

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BILL NO. 10-18

Introduced by Council President Boniface at the request of the County Executive

Legislative Session Day No. 10-14

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Council of Harford County, Maryland to adopt an administrative resolution that shall provide for the form of instrument by which any indebtedness or financing obligation is to be evidenced, the manner by which any indebtedness, line of credit, financing lease or similar obligation may be secured and the rate(s) of interest to be paid, and generally for such other matters as may be deemed appropriate by the County Council of Harford County, Maryland in connection therewith and authorizing the County Executive of Harford County, Maryland by Executive Order, to determine the form of various documents as are necessary to implement the financing authorized herein, the manner of issuance and delivery of any evidences of indebtedness, the payment of all necessary expenses in connection therewith, the method by which such evidences of indebtedness

By the Council,

Introduced, read first time, ordered posted and public hearing scheduled

On:

at:

By Order: _____, Council Administrator

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on _____, and concluded on _____.

_____, Council Administrator

EXPLANATION:

CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [BRACKETS] indicate matter deleted from existing law. Underlining indicates language added to Bill by amendment. Language lined through indicates matter stricken out of Bill by amendment.

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shall be sold, maturity schedule, and redemption provisions; authorizing the appointment of certain agents; and otherwise generally relating to the issuance, sale, delivery and payment of any such evidences of indebtedness or financing obligations; providing that such indebtedness shall be issued upon the full faith and credit of Harford County, Maryland; providing for the issuance of bond anticipation notes (or other form of indebtedness) upon passage of a resolution by the County Council of Harford County, Maryland approving the interest rate or rates on said bond anticipation notes for all or a portion of the Projects described herein, for which the proceeds of sale of the bond anticipation notes shall be used; providing that after the issuance of the bond anticipation notes (or other form of indebtedness), or any renewal thereof, the County

By the Council,

Introduced, read first time, ordered posted and public hearing scheduled

on:

at:

By Order: _____, Council Administrator

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on _____, and concluded on _____.

_____, Council Administrator

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [BRACKETS] indicate matter deleted from existing law. Underlining indicates language added to Bill by amendment. Language lined through indicates matter stricken out of Bill by amendment.

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**COUNTY COUNCIL
OF
HARFORD COUNTY, MARYLAND**

BILL NO. 10-18

Introduced by Council President Boniface at the request of the County Executive

Legislative Session Day No. 10-14

Date: May 18, 2010

Council of Harford County, Maryland shall authorize the issuance of bonds to pay said bond anticipation notes (or other form of indebtedness); providing for disbursement of the proceeds of the sale of such bonds and for the levying of charges, assessments and all taxes necessary to provide payment of the principal and interest on such bonds; providing that certain additional matters may be determined by resolution of the County Council of Harford County, Maryland or may be reserved unto the County Executive as prescribed by such resolution; providing the method of fixing the interest rates to be borne by such bonds and generally providing for and determining various matters in connection therewith; and generally relating to funding of certain capital projects.

By the Council,

Introduced, read first time, ordered posted and public hearing scheduled

on:

at:

By Order: _____, Council Administrator

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on _____ and concluded on _____.

_____, Council Administrator

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [BRACKETS] indicate matter deleted from existing law. Underlining indicates language added to Bill by amendment. Language lined through indicates matter stricken out of Bill by amendment.

BILL NO. 10-18

1 WHEREAS, in accordance with the provisions of Section 406 of the Charter of Harford
2 County, the Director of Planning has heretofore transmitted to the County Executive the
3 recommendations of the Planning and Advisory Board for certain Capital Improvements; and

4 WHEREAS, in accordance with the provisions of Section 505 of the Charter of Harford
5 County, the County Executive has reviewed such recommendations in light of the existing capital
6 programs and the County Executive and the Director of Administration have included such
7 recommendations for capital improvements, as amended, in the proposed Capital Program which
8 has been submitted to the County Council of Harford County, Maryland and the County Council
9 of Harford County, Maryland has adopted the Capital Program and Capital Budget for the year
10 ending June 30, 2011, pursuant to Bill No. 10-13, As Amended; and

11 WHEREAS, upon request of the County Executive and Resolution of the County Council
12 of Harford County, Maryland, Harford County may sell bond anticipation notes in an amount not
13 greater than the amount of bonds authorized herein, in anticipation of the subsequent sale of the
14 bonds, for all or a portion of the cost of the projects described herein in accordance with the
15 provisions of Article 31, Section 12 of the Annotated Code of Maryland (2003 Replacement
16 Volume; 2008 Supplement); and

17 WHEREAS, as a part of the said Capital Program and the said Capital Budget, it is
18 necessary that Harford County, Maryland, borrow a sum not exceeding Thirty-Seven Million
19 Five Hundred Thousand Dollars (\$37,500,000) to be used to finance the cost of the acquisition,
20 construction, reconstruction, improvement, extension, site acquisition, architectural and
21 engineering services, and furnishings and equipment for the Projects, including financial, legal
22 and planning expenses related thereto; and

1 WHEREAS, the County Council of Harford County, Maryland has authority to incur
2 debts on behalf of Harford County, Maryland; and

3 WHEREAS, the County Council of Harford County, Maryland is hereby authorized to
4 enact a Bill adopted in accordance with Section 524 of the Charter of Harford County and other
5 applicable provisions of law providing for the issuance and sale and for the designation, form,
6 tenor, denomination, maturities, and the interest rates payable on any bonds or other form of
7 indebtedness issued under this Bill; and to levy annually *ad valorem* taxes upon the assessable
8 property within the County sufficient, together with other taxes and other available funds, to
9 provide for the payment of the interest on and principal of any bonds so issued; and

10 WHEREAS, the proposed bond issue or other form of indebtedness is within the legal
11 limitation on the indebtedness of Harford County, Maryland; and

12 WHEREAS, it is necessary to provide funds for the construction, reconstruction,
13 improvement, extension, acquisition, alteration, repair and modernization, the cost of acquiring
14 any sites, making site improvements, architectural and engineering services, including
15 preparation of plans, drawings and specifications, the development of the grounds and
16 landscaping thereof, financial, legal and planning expenses and all customary appurtenances and
17 equipment for the Projects; and

18 WHEREAS, after written recommendation of the County Executive, public hearing and
19 affirmative vote of at least four (4) members of the County Council of Harford County,
20 Maryland, the capital budgets authorizing the Projects have been amended and adopted; and

21 WHEREAS, the financing or indebtedness herein authorized, including the aggregate
22 principal amount of bonds or other indebtedness in an amount not to exceed Thirty-Seven
23 Million Five Hundred Thousand Dollars (\$37,500,000), and interest rate(s), shall be evidenced

and incurred pursuant to a resolution or resolutions ("Resolution") to be adopted by the County Council of Harford County, Maryland upon written recommendation of the County Executive, pursuant to this Bill and other terms of sale, including, but not limited to maturity schedules, redemption provisions, form of bond, and date of sale shall be determined by the County Executive of Harford County, Maryland by Executive Order.

NOW, THEREFORE, IN ACCORDANCE WITH THE PROVISIONS OF THE CHARTER, THE CODE AND THE LAWS OF THE STATE OF MARYLAND:

SECTION 1. Be it enacted by the County Council of Harford County, Maryland that, acting pursuant to the authority of the Charter, the Code and the laws of the State of Maryland, Harford County, Maryland (the "County") hereby authorizes and approves the incurring of debt or the payment of purchase price or rental installments for the purpose of financing a portion of the capital cost of capital equipment, improvements, extensions, modifications, alterations, or any combination thereof to the property of the County, together with the acquisition of all necessary property rights and equipment, and all related architectural, financial, legal, planning, design and engineering expenses associated with such capital equipment, improvements, extensions, modifications or alterations including:

<u>Project</u>	<u>Amount to be Borrowed</u>
Citizens Care Center	\$1,500,000
Humane Society	325,000
Susquehanna Center Addition/Renovations, Harford Community College	5,160,000
Water and Wastewater, Harford Community College	750,000
Deerfield Elementary School Replacement	5,795,000
Edgewood High School Replacement	7,000,000
Red Pump Road Elementary School	8,070,000
Enlarged Gymnasiums and Joint Facilities	600,000
Schucks Road Regional Complex	500,000
North Avenue/Henderson Road Bridge #215	2,100,000
MacPhail Road/Tollgate Road Roundabout	455,000
Red Pump Road Roundabout	400,000

1	Robinhood Road (US 40 – Titan Terrace)	1,750,000
2	Trimble Road/Fort Hoyle Road Roundabout	410,000
3	Wheel Road (Laurel Bush to Fairway)	<u>2,685,000</u>
4		
5	General County Total:	<u>\$37,500,000</u>
6		

7 The principal amount of indebtedness to be incurred hereunder shall not exceed Thirty-
8 Seven Million Five Hundred Thousand Dollars (\$37,500,000).

9 SECTION 2. And be it further enacted by the County Council of Harford County,
10 Maryland that prior to the issuance, sale and delivery of any bonds, bond anticipation notes,
11 notes, evidences of indebtedness, line of credit, financing lease or installment purchase obligation
12 (or other form of indebtedness) in reliance on this Bill, the County Council of Harford County,
13 Maryland shall (without limitation) determine administratively in the Resolution:

14 (a) the form of instruments or agreements by which the debt or financing
15 authorized herein shall be evidenced (including, but not limited to, bonds, bond anticipation
16 notes, notes (or other form of indebtedness), book entry, community participation bonds, letters
17 of credit, trust agreements, trust indentures, financing or installment purchase lease or similar
18 financing agreement, or participation in any "bond bank" or bond pooling arrangement
19 administered by the State of Maryland or a subsidiary entity of it);

20 (b) the manner, if any, by which any indebtedness or financing shall be
21 secured (to the extent annual debt service exceeds proceeds from recordation tax to be used
22 pursuant to Section 12-113(a) of the Tax-Property Article of the Annotated Code of Maryland
23 (2001 Replacement Volume, 2009 Supplement) to pay school bonds issued on the faith and
24 credit of the County after January 1, 1959 and for other school purposes, or transfer tax proceeds
25 to be used for school construction and site acquisition pursuant to Bill No. 93-3 enacted by the
26 County Council of Harford County, Maryland (the "County Council") on April 6, 1993 (and

signed by the County Executive on April 20, 1993), as amended, including, but not limited to, a letter or letters of credit, bond or other such insurance and a pledge of the full faith and credit and unlimited taxing power of the County):

(c) the rate or rates of interest or method of determining such rate or rates; and

(d) whether the financing is to be accomplished by public sale, private (negotiated) sale or by private placement.

(e) In the event the County determines to incur part or all of the financing pursuant to a lease or lease purchase arrangement, the County Council of Harford County, Maryland shall determine administratively by Resolution, the equipment to be subject to the lease and the lessor or lessors shall be determined and approved by the County Council of Harford County, Maryland by Resolution after a bid process conducted by the Department of Treasury. The County Council of Harford County, Maryland shall also determine administratively by Resolution whether or not the lease payments under the lease shall be guaranteed by the full faith and credit unlimited taxing power of the County or whether the lease payments are subject to annual appropriation by the County Council of Harford County, Maryland each year.

The Resolution shall be deemed to be of an administrative nature and shall be effective upon the date specified in the Resolution.

SECTION 3. And be it further enacted by the County Council of Harford County, Maryland that the County Executive of Harford County, Maryland shall determine the following matters by Executive Order:

(a) the principal amounts, date, denominations, maturity payment provisions and prepayment, tender and/or redemption provisions (if any) and other terms and conditions thereof;

1 (b) the substantially final form and contents and consent to the distribution
2 (and shall authorize the execution and delivery, where applicable) of various agreements and
3 documents as are necessary to implement the financing authorized herein, including, but not
4 limited to, a Preliminary Official Statement and/or an Official Statement, and in the event any
5 evidence of indebtedness is sold through competitive bidding, a Notice of Sale, and in the event
6 any evidence of indebtedness is sold by private (negotiated) sale, a Purchase Contract with the
7 Underwriter(s) thereof, and if any indebtedness is issued in book entry form, securities depository
8 agreements, (collectively the "Documents"), required for the issuance, sale and delivery of any
9 evidence of indebtedness or the completion of the financing authorized herein, which Documents
10 shall contain such provisions as may be required by law or to consummate the financing
11 authorized herein;

12 (c) the manner in which any evidence of indebtedness, lease financing or
13 installment purchase obligation shall be executed, sealed and attested (which may be by facsimile
14 signature and/or seal);

15 (d) provision for the payment of all necessary expenses of preparing, printing
16 and selling any evidence of indebtedness and the Documents including, without limitation, any
17 and all costs, fees and expenses incurred by or on behalf of the County in connection with the
18 authorization, issuance, sale and delivery of any bonds or notes, and all costs incurred in
19 connection with the development of the Documents, including the fees of counsel to the County,
20 and compensation to any persons (other than full-time employees of the County) or entities
21 performing services for or on behalf of the County in connection therewith and in connection
22 with all other transactions contemplated by this Bill regardless of whether the proposed financing
23 is consummated;

(e) the name or designation of the indebtedness, provided that unless otherwise designated, the indebtedness shall be known as Harford County General Obligation Bonds, Series 2011;

(f) such other matters in connection with the consummation of the financing transactions contemplated by this Bill as may be deemed appropriate by the County Executive of Harford County, Maryland, including (without limitation) the appointment of agents (including, but not limited to, trustees, paying agents, indexing agents and/or registrars) in connection with the financing, the execution, acknowledgment, sealing and delivery of such other and further agreements, documents and instruments, and the authorization of the officials of the County to take any and all actions, as are or may be necessary or appropriate to consummate the transactions contemplated by this Bill in accordance with the terms hereof and of the Resolution.

The Executive Order shall be effective upon the date specified in the Executive Order.

SECTION 4. And be it further enacted by the County Council of Harford County, Maryland that authority is hereby conferred respectively on the County Executive of the County, the Director of Administration, the Treasurer, the County Attorney and the Council Administrator of the County Council of Harford County, Maryland, or any of them, and they are hereby directed to take the following actions on behalf of the County:

(a) to execute, acknowledge, seal and deliver the Documents substantially in the forms determined administratively by the County Council of Harford County, Maryland in the Resolution; and

(b) to execute, acknowledge, seal and deliver such other and further certificates, certifications, agreements, documents and instruments and take such other acts as they or any one or more of them may deem necessary or appropriate to consummate the

1 transactions contemplated by this Bill in accordance with the provisions hereof and of the
2 Resolution.

3 SECTION 5. And be it further enacted by the County Council of Harford County,
4 Maryland that the Treasurer, or his authorized deputy, is hereby authorized and empowered to
5 prepare and distribute copies of the Documents to any person who may, in his judgment, be
6 interested in participating in the financing of the Projects or who may request the same or
7 information with respect thereto; provided, however, that any preliminary official statement and
8 related material shall be clearly marked to indicate that they are subject to completion and
9 amendment.

10 SECTION 6. And be it further enacted by the County Council of Harford County,
11 Maryland that, to the extent the recordation tax and/or transfer tax described in Section 2 of this
12 Bill is insufficient to pay the principal of and interest on the indebtedness herein authorized, the
13 County hereby covenants and agrees, with each of the holders, from time to time, of any of the
14 bonds or other indebtedness, that it shall promptly cause to be levied against all assessable
15 property within the County annually, so long as any of the bonds or other indebtedness are
16 outstanding and not paid, an *ad valorem* tax sufficient in rate and amount to provide for payment
17 of such principal of, premium (if any) and interest on the bonds or other indebtedness when due.
18 Such tax shall be levied in accordance with the Charter. The County, by the passage of this Bill,
19 hereby covenants and agrees properly and promptly to perform all of the respective acts and
20 duties defined in the Charter for the levy and collection of the aforesaid *ad valorem* tax upon all
21 the assessable property within the corporate limits of the County, as the levy and collection of
22 such a tax becomes necessary in order to provide for the payment of principal of, premium (if
23 any) and interest on the bonds or other indebtedness.

1 SECTION 7. And be it further enacted by the County Council of Harford County,
2 Maryland that if the County Council of Harford County, Maryland determines in the Resolution
3 that it is in the best interests of the County to sell any evidence of indebtedness or lease financing
4 or installment purchase obligation by private (negotiated) sale, the County Council of Harford
5 County, Maryland hereby authorizes (a) the appointment of an underwriter (the "Underwriter") in
6 connection with the sale thereof, and (b) the payment by the County to the Underwriter out of the
7 proceeds of the sale thereof or otherwise for services rendered in connection therewith, such
8 compensation to be determined in the Resolution.

9 SECTION 8. And be it further enacted by the County Council of Harford County,
10 Maryland that the County Executive is hereby authorized and empowered for and on behalf of
11 the County (a) to cause the preparation, printing, execution and delivery of the Documents, each
12 substantially in the form provided in the Resolution or in the Executive Order of the County
13 Executive, with such modifications, supplements or amendments thereto as may be
14 recommended by counsel; and (b) to do all such things as may be necessary or desirable in the
15 opinion of the County Executive in connection therewith.

16 SECTION 9. And be it further enacted by the County Council of Harford County,
17 Maryland that nothing herein contained shall authorize the expenditure of County funds until
18 such time as such expenditure shall have been appropriated by the County Council of Harford
19 County, Maryland, and this Bill shall not be construed as authorizing or approving any project
20 not otherwise authorized or approved by all appropriate legal authorization.

21 SECTION 10. And be it further enacted by the County Council of Harford County,
22 Maryland that unless changed by the Resolution or the Executive Order, if the indebtedness
23 herein authorized is represented by bonds: (a) the bonds shall be issued pursuant to the authority

1 of this Bill and shall be dated February 1, 2011; (b) the bonds shall be issued in the
2 denominations of Five Thousand Dollars (\$5,000) or any integral multiple thereof (and the
3 amount of bonds to be issued by the County may be adjusted by the Resolution or the Executive
4 Order so that each bond will be in a \$5,000 denomination, but in no event may the aggregate
5 indebtedness incurred pursuant to this Bill exceed \$37,500,000), and shall be numbered from one
6 (1) consecutively upward in the order of their maturities. The bonds shall mature over a period
7 not to exceed twenty (20) years from their date in twenty (20) annual serial installments
8 beginning in the year 2012 and ending in the year 2031. The bonds shall mature on February 1 in
9 each of said years as follows: One Million Eight Hundred Seventy-Five Thousand Dollars
10 (\$1,875,000) in each of the years 2012 through 2031, inclusive. The term and maturity schedule
11 of the bonds or other indebtedness may be changed, increased or decreased upon Executive Order
12 of the County Executive, but the aggregate principal amount of indebtedness to be incurred shall
13 not exceed Thirty-Seven Million Five Hundred Thousand Dollars (\$37,500,000).

14 SECTION 11. Be it further enacted by the County Council of Harford County, Maryland
15 that if the indebtedness herein authorized is represented by bonds, the bonds shall bear interest at
16 the rate or rates named by the successful bidder for the bonds in accordance with the Notice of
17 Sale hereinafter set forth, as may hereafter be amended, upon written recommendation of the
18 County Executive of Harford County, Maryland (the "County Executive"), by administrative
19 resolution of the County Council of Harford County, Maryland, and said interest shall be payable
20 semiannually on the first days of August and February (or on such other dates as may be
21 approved in the Resolution) in each of the years that the bonds are outstanding. Interest on the
22 bonds will be payable by check or draft of the Paying Agent mailed to the registered owners
23 thereof. The bonds, when issued, shall be executed in the name of the County, by the facsimile

1 signature of the County Executive, and a facsimile of the corporate seal of the County shall be
2 imprinted on each of the bonds attested by the facsimile signature of the Director of
3 Administration of the County and the manual signature of an authorized officer of the Bond
4 Registrar. The facsimiles of said signature and said seal shall be engraved, printed or
5 lithographed on each of the bonds in accordance with, and pursuant to the authority of Sections
6 2-301 through 2-306 inclusive of the State Finance and Procurement Article of the Annotated
7 Code of Maryland (2002 Replacement Volume, 2009 Supplement). If the indebtedness is
8 represented by bonds, the bonds shall be subject to registration as to principal and interest, in the
9 name or names of the owner or owners thereof on books kept for that purpose at the principal
10 office of the Bond Registrar and the principal of the bonds shall be payable upon presentation
11 and surrender thereof at the principal office of the Paying Agent or the ownership of the
12 indebtedness may, pursuant to Executive Order of the County Executive, be maintained by a
13 book entry system. The Bond Registrar and Bond Paying Agent shall be determined by
14 Executive Order of the County Executive. Payment of interest on the bonds shall be made by the
15 Paying Agent on each payment date, to each person appearing on the registration books of the
16 County, maintained by the Bond Registrar, as the registered owner thereof, by check or draft
17 mailed to each such registered owner at his or her address as it appears on such registration
18 books. There shall be printed on each bond the text of the approving legal opinion of bond
19 counsel with respect to the bonds. Except as provided hereinafter or in an Executive Order of the
20 County Executive prior to the issuance of the bonds, if the indebtedness authorized herein is
21 represented by bonds, the bonds shall be in substantially the following form, which form,
22 together with all covenants and conditions therein contained, is hereby adopted by the County
23 Council of Harford County, Maryland as and for the form of obligation to be incurred by the

1 County, and said covenants and conditions, including the promise to pay therein contained, are
2 hereby made binding upon the County, in accordance with the endorsement on said bonds:

3

1 UNITED STATES OF AMERICA

2 STATE OF MARYLAND

3 HARFORD COUNTY, MARYLAND

4 HARFORD COUNTY GENERAL OBLIGATION BONDS, SERIES 2011

5 No.

No.

6 Registered Owner:

7 \$5,000

\$5,000

8 (Dated February 1, 2011)

9 HARFORD COUNTY, MARYLAND, a body politic and corporate, organized and
10 existing under the Constitution and laws of the State of Maryland, hereby acknowledges itself
11 indebted and, for value received, promises to pay to the registered owner or registered assignees
12 of this bond, the principal sum of FIVE THOUSAND DOLLARS (\$5,000)

13 on _____,

14 upon presentation and surrender of this bond and to pay interest thereon, from the date of this
15 bond at the rate of _____ percent (____%) per annum until payment of said principal sum, such
16 interest to the maturity hereof being payable on August 1, 2011, and semiannually thereafter on
17 the first days of February and August and in each year by check or draft of the Paying Agent
18 (hereinafter described) mailed to the registered owners of record as interest becomes due and
19 payable.

20 Both the principal of and interest on this bond will be paid in lawful money of the United
21 States of America, at the time of payment, at the principal office of _____,
22 Baltimore, Maryland ("Paying Agent").

1 This bond shall be registered in the name of the owner on the registration books kept for
2 that purpose at the principal office of _____ ("Bond Registrar"), and such
3 registration shall be noted on the back of this bond, after which no transfer hereof shall be valid
4 unless made on the said registration books by the registered owner hereof in person or by his duly
5 authorized attorney, and similarly noted on this bond. The County, Bond Registrar and Paying
6 Agent may deem and treat the person in whose name this bond is registered as the absolute
7 owner hereof for all purposes. This bond, upon surrender hereof at the principal office of the
8 Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar, duly
9 executed by the registered owner hereof, or his (her) duly authorized attorney, may, at the option
10 of the registered owner hereof, be exchanged for an equal aggregate principal amount of bonds of
11 authorized denominations and of the same form and tenor as this bond. For every such exchange
12 or transfer of bonds, the County or the Bond Registrar shall make a charge for any tax or other
13 governmental charge required to be paid with respect to such exchange or transfer. Such charge
14 shall be paid by the registered owner requesting such exchange or transfer as a condition
15 precedent to the exercise of such privilege. The Bond Registrar shall not be obligated to make
16 any such exchange or transfer of bonds during the fifteen (15) days next preceding an interest
17 payment date on the bonds, or in case of any proposed redemption of bonds, during the fifteen
18 (15) days next preceding the date of the publication of notice of such redemption, and unless
19 changed by the Resolution, the record date for payment of principal and interest shall be
20 December 31 and June 30 in each year. The Bond Registrar shall not be required to make any
21 transfer or exchange of any bonds called for redemption.

22 This bond is one of a duly authorized issue or series of bonds aggregating Thirty-Seven
23 Million Five Hundred Thousand Dollars (\$37,500,000) in principal amount, which are of the

1 denomination of Five Thousand Dollars (\$5,000) or integral multiples thereof. These bonds
2 mature serially in installments on the first day of February in each of the years 2011 to 2030,
3 inclusive, as follows: One Million Eight Hundred Seventy-Five Thousand Dollars (\$1,875,000)
4 in each of the years 2012 through 2031, inclusive. These bonds are numbered from one (1)
5 consecutively upwards in the order of their maturities, are of like tenor except as to maturity,
6 number and interest rate, are issued pursuant to and in full conformity with the provisions of the
7 Charter of Harford County, as amended, and by virtue of due proceedings had and taken by the
8 County Council of Harford County, Maryland particularly Bills enacted on _____, 2010,
9 entitled Bill No. 10-____ and a Resolution adopted on _____.

10 The full faith and credit and unlimited taxing power of Harford County, Maryland, is
11 pledged to the punctual payment of the principal of and interest on this bond according to its
12 terms, and said County covenants and agrees punctually to pay the principal of this bond and the
13 interest thereon, at the dates and in the manner mentioned herein.

14 The bonds of the issue which mature before _____ are not subject to
15 redemption prior to their maturities. The bonds which mature on or after _____ shall
16 be subject to redemption as a whole at any time or in part on any interest payment date, and in
17 any order of maturity, at the option of the County on _____, or on any redemption date
18 thereafter upon notice of call for redemption given to the registered owner thereof as shown on
19 the books of the Bond Registrar, or by publication at least thirty (30) days prior to the date of
20 redemption in a newspaper published and circulating in Harford County and in the City of
21 Baltimore, Maryland, and also in a financial newspaper published and circulating in the City of
22 New York, New York, at a redemption price, expressed as a percentage of the principal amount

1 of the bonds to be redeemed, set forth in the table below, together with interest accrued to the
2 date fixed for redemption.

3 <u>Date of Redemption</u>	<u>Optional Redemption Price</u>
-----------------------------	----------------------------------

4

5 If less than all of the bonds of any one maturity shall be called for redemption, the particular
6 bonds to be redeemed shall be selected by lot by _____,
7 _____, Paying Agent.

8 No covenant or agreement contained in this bond shall be deemed to be a covenant or
9 agreement of any officer, agent or employee of the County in his or her individual capacity and
10 neither the members of the County Council of Harford County, Maryland nor any official
11 executing this bond shall be liable personally on this bond or be subject to any personal liability
12 or accountability by reason of the issuance of this bond.

13 It is hereby certified and recited that each and every act, condition and thing required to
14 exist, to be done, to have happened and to be performed precedent to and in the issuance of this
15 bond, does exist, has been done, has happened and has been performed in full and strict
16 compliance with the Constitution and laws of the State of Maryland, the Charter and Code of
17 Harford County and the Bill and Resolution above referred to, and that the issue of bonds of
18 which this is one, together with all other indebtedness of Harford County, is within every debt
19 and other limit prescribed by the Constitution and laws of said State and the Charter and Code of
20 Harford County, and that due provision has been made for the levy and collection, if and when
21 necessary, of an annual *ad valorem* tax or taxes upon all the legally assessable property within
22 the corporate limits of Harford County, Maryland, as prescribed by law, in rate and amount
23 sufficient to provide for the payment, when due, of the interest on and the principal of this bond.

1 IN WITNESS WHEREOF Harford County, Maryland, has caused this bond to be
2 executed in its name by the facsimile signature of the County Executive, which signature has
3 been imprinted thereon, and has also caused a facsimile of its corporate seal to be imprinted
4 hereon, attested by the facsimile signature of the Director of Administration, and the manual
5 signature of an authorized officer of the Bond Registrar, all as of the ____ day of _____,
6 2011.

7 ATTEST:

HARFORD COUNTY, MARYLAND

8
9
10
11
12 _____
13 Director of Administration

By: _____
County Executive

CERTIFICATE OF AUTHENTICATION

This bond is one of the registered bonds of Harford County, Maryland General Obligation Bonds, Series 2011.

Authorized Officer

(Form of Registration)

(No writing hereon except by an officer of _____, Baltimore, Maryland, Bond Registrar.)

<u>Date of Registry</u>	<u>Name of Registered Holder</u>	<u>Registered By</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

PAYMENT GRID

1				
2				
3				
4	<u>Date of</u>	<u>Principal</u>	<u>Principal</u>	<u>Holder</u>
5	<u>Payment</u>	<u>Amount Paid</u>	<u>Amount Outstanding</u>	<u>Signature</u>
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ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(please insert name and address of the assignee)

(Tax Identification or Social Security No. _____)

the within bond, and hereby irrevocably constitutes and appoints

attorney to transfer the within bond on the books kept for registration thereof, with full power of
substitution in the premises.

Date:

Signature guaranteed: _____

NOTICE: Signature must be
guaranteed by a member firm of the
New York Stock Exchange or a
commercial bank or trust company

NOTICE: The signature on this
Assignment must correspond with
the name of the registered owner
as it appears on the face of the within bond
in every particular, without alteration or
enlargement or any change whatever.

1 SECTION 12. Be it further enacted by the County Council of Harford County, Maryland
2 that if the indebtedness herein authorized is represented by bonds, the bonds shall be sold by bids
3 in sealed proposals and/or electronic bid form as determined in the Resolution to the bidder
4 therefor for cash whose bid is deemed to be for the best interest of Harford County, Maryland,
5 after giving at least ten (10) days' public notice by advertisement inserted twice in one or more
6 daily or weekly newspapers having a general circulation in the County, said sale to be held not
7 sooner than ten (10) days following the first insertion of said advertisement. Said advertisement
8 or a summary thereof shall also be published in "The Bond Buyer", a financial journal published
9 in the City of New York and in electronic form. The Award of the Bonds, if made, shall be
10 approved by resolution of the County Council of Harford County, Maryland after written
11 recommendation of the County Executive, to the bidder offering the lowest interest cost
12 determined in accordance with the true interest cost method (TIC). The sale of the bonds, unless
13 changed by Executive Order of the County Executive, shall be held on January 26, 2011 at the
14 office of the Treasurer of Harford County, Maryland, located at 220 South Main Street, Bel Air,
15 Maryland, at 10:00 o'clock A.M., E.S.T. or E.D.T. (whichever time may then be in effect), or on
16 such other date and at such other time and location as may be provided by Executive Order of the
17 County Executive.

18 SECTION 13. Be it further enacted by the County Council of Harford County, Maryland
19 that the official Notice of Sale shall be in substantially the form hereinafter set forth and the
20 terms, provisions and conditions set forth in said form of Notice of Sale are hereby adopted and
21 approved as the terms, provisions and conditions under which and the manner in which the bonds
22 shall be sold, issued and delivered at public sale. The official Notice of Sale, upon resolution of
23 the County Council of Harford County, Maryland, may be consolidated with the Official Notice

1 of Sale for other bonds to be sold by the County at the same time. The official Notice of Sale
2 may be published in summary form in The Bond Buyer and in other financial publications
3 approved by the County Executive and/or in electronic form. The official Notice of Sale for the
4 bonds shall be in substantially the following form (unless changed by Executive Order of the
5 County Executive or Resolution of the County Council):

6

NOTICE OF SALE**\$37,500,000****HARFORD COUNTY, MARYLAND****GENERAL OBLIGATION BONDS****Series 2011****(Book-Entry Only)**

NOTICE IS HEREBY GIVEN that electronic (as explained below) bids will be received by the Treasurer, Harford County, Maryland (the "County") at the offices of the Treasurer of Harford County, Maryland until 10:00 a.m. local Baltimore, Maryland time on January 26, 2011 for the purchase of all (but not less than all) of the County's \$37,500,000 Harford County, Maryland General Obligation Bonds, Series 2011 (the "Bonds"). The bids will be received up to the time (unless postponed as described herein) and in the manner described below:

DATE AND TIME

Wednesday, January 26, 2011, 10:00 a.m. Eastern Standard Time (EST). For the purposes of both the sealed bid and the electronic bid, the time maintained by DALCOMP/PARITY shall constitute the official time.

FOR ELECTRONIC BIDS

Submit electronically via PARITY in accordance with its Rules of Participation and this Notice of Sale until 10:00 a.m., EST, but no bid will be received after the time for receiving bids specified above. Provisions in this Notice of Sale conflicting with those PARITY Rules of Participation shall control. In the event of a malfunction in the electronic bidding process, the bid time and/or date may be postponed at the option of the County. For further information about PARITY, potential bidders may contact:

who is acting as financial advisor to the County, or

PARITY**40 West 23rd Street, 5th Floor****New York, New York 10014****Telephone: 212-849-5021**

Any prospective bidder must submit its electronic bid through the facilities of PARITY, in accordance with the Rules of Participation and any other requirements of PARITY.

Prospective bidders must be contract customers of BIDCOMP in order to submit an electronic bid.

An electronic bid made through the facilities of PARITY shall be deemed an offer, in response to this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the County. The County shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, PARITY, the use of such facilities being the sole risk of the prospective bidder.

Neither the County nor PARITY shall have any duty or obligation to provide or assure access to PARITY to any prospective bidder. The County is using PARITY as a communication mechanism, and not as the County's agent to conduct the electronic bidding for the Bonds. The County is not bound by any advice and determination of PARITY to the effect that any particular bid complies with the terms of this Notice of Sale. All costs and expenses incurred by prospective bidders in connection with their submission of bids via PARITY are the sole responsibility of the bidders; and the County is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in submitting, modifying, or withdrawing a bid for the Bonds, he (she) should telephone PARITY (212-849-5021) and notify the County's Bond Counsel, Royston, Mueller, McLean & Reid, LLP, Attention: _____, by facsimile at (410) 823-1708.

Electronic bids must be submitted for the purchase of the Bonds via PARITY. Bids will be communicated electronically to the County at 10 a.m. (EST) on January 26, 2011. Prior to that time, a prospective bidder may (1) submit the proposed terms of its bid, (2) modify the proposed terms of its bid, in which event the proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the Bonds or (3) withdraw its proposed bid for the Bonds. Once the bids are communicated electronically via PARITY to the County, each bid will constitute an irrevocable offer to purchase the Bonds bid for on the terms therein provided.

List of Members of Account

The facilities of PARITY currently do not allow the bidders to list the names of the members of the account on whose behalf the bid is made. Bidders who are submitting an electronic bid are requested to telecopy the names of the members of the account on whose behalf the bid is made to the County c/o Royston, Mueller, McLean & Reid, LLP, (410) 823-1708. Attention: _____.

Right to Modify or Amend Notice of Sale; Right to Postpone Sale

The County reserves the right to modify or amend this Notice of Sale, including changing the scheduled maturities or increasing or reducing the aggregate principal amount of Bonds and the principal amount of any maturity offered for sale, prior to the bid date. If any modifications occur, supplemental information with respect to the Bonds will be communicated via TM3 News Service (www.tm3.com) not later than 5:00 p.m., Baltimore, Maryland time, on the business day preceding the last day on which proposals may be submitted, and bidders shall bid upon the Bonds based upon the terms thereof set forth in this Notice of Sale, as so modified by such supplemental information.

1 In addition, the County reserves the right to postpone the date established for the receipt
2 of bids. In the event of a postponement, the new date and time of sale and any revised date of
3 expected delivery will be announced via TM3 News Service not later than 9:00 a.m., Baltimore,
4 Maryland time, on the day on which proposals may be submitted. On any such alternative sale
5 date, bidders may submit sealed bids for the purchase of the Bonds in conformity with the
6 provisions of this Notice of Sale, except for the changed date and time of sale and any revised
7 date of delivery.

8 **Bid Parameters**

9
10 No bid of less than 100% of par plus accrued interest from February 1, 2011 to the date of
11 delivery of the Bonds, no oral bid and no bid for less than all of the Bonds described in this
12 Notice of Sale, will be considered. The Bonds are expected to be awarded at approximately 3:00
13 p.m. prevailing Eastern Time on January 26, 2011. All proposals shall remain firm until the time
14 of award. No interest rate may be bid that is lower than the interest rate in the immediately
15 preceding year.

16 **Authorization**

17
18 The Bonds will be issued by the County pursuant to Bill No. 10-__ adopted by the County
19 Council of the County on _____, 2010, effective _____, 2010 (the
20 "Authorized Legislation") and Resolution No. ____-____ adopted on _____, ____.
21 The proceeds of the Bonds will be used primarily to finance the costs of the acquisition,
22 renovation or new construction and equipping of certain capital projects described in the
23 Authorized Legislation.
24

25
26 The Bonds and payment of the principal and interest thereon will be the unconditional
27 general obligation of the County and will constitute an irrevocable pledge of the full faith and
28 credit and unlimited taxing power of the County.
29

30 **Procedures for Sale**

31
32 As promptly as reasonably practicable after the bids are opened, the County will notify
33 the bidder to whom the Bonds will be awarded, if and when such award is made, and such
34 bidder, upon such notice, shall advise the County of the initial reoffering prices to the public of
35 each maturity of the Bonds (the "Initial Reoffering Prices"). The successful bidder shall pay the
36 Aggregate Principal Amount of the Bonds plus the premium, plus accrued interest to the date of
37 delivery. ALL BIDS SHALL REMAIN FIRM UNTIL 5:00 P.M. LOCAL BALTIMORE,
38 MARYLAND TIME ON THE DATE OF SALE. An award of the Bonds pursuant to this Notice
39 of Sale, if made, will be made by resolution of the County Council of Harford County, Maryland
40 at or before 5:00 p.m. local Baltimore, Maryland time on the date of sale.
41

42 **Price and Interest Rate Bid**

43
44 Each bidder shall submit one bid, not less than par, on an "all-or-none" basis. Each bid
45 must specify the rate or rates of interest to be paid on the Bonds, in multiples of one-eighth (1/8)
46 or one-twentieth (1/20) of one percent (1%). Bidders may specify more than one rate of interest

1 to be borne by the Bonds, but all Bonds maturing on the same date must bear interest at the same
2 rate; and the difference between the maximum and minimum interest rates specified may not
3 exceed three percent (3%). A zero rate cannot be named for any maturity.
4

5 **Good Faith Deposit.**

6
7 A good faith deposit (the "Deposit") is required in connection with the sale and bid for
8 the Bonds. The Deposit may be provided in the form of (i) a federal funds wire transfer in the
9 amount of \$1,000,000 for the Bonds to be submitted to the County by the successful bidder not
10 later than 3:00 p.m. (EDT) (the "Deposit Deadline") on the date of sale or (ii) a financial surety
11 bond (a "Surety Bond") from an insurance company acceptable to the County and licensed to
12 issue such a bond in the State of Maryland in the amount of the Deposit, each option as described
13 in more detail below. The Deposit of the successful bidder will be retained by the County to be
14 applied in partial payment for the Bonds, as the case may be, and no interest will be allowed or
15 paid upon the amount thereof, but in the event the successful bidder shall fail to comply with the
16 terms of the respective bid, the proceeds thereof will be retained as and for full liquidated
17 damages.
18

19 If a federal funds wire transfer is used, the County shall distribute wiring instructions for
20 the Deposit to the successful bidder(s) upon verification of the bids submitted by the bidders and
21 prior to the Deposit Deadline. If the Deposit is not received by the Deposit Deadline, the award
22 of the sale of the Bonds to the successful bidder may be cancelled by the County in its discretion
23 without any financial liability of the County to the successful bidder or any limitation whatsoever
24 on the County's right to sell the Bonds to a different purchaser upon such terms and conditions as
25 the County shall deem appropriate.
26

27 If a Surety Bond is used, it must be submitted to the County prior to 5:00 p.m. (EDT) on
28 the day prior to the date for receipt of bids, and must be in form and substance acceptable to the
29 County, including (without limitation) identifying the bidder whose Deposit is guaranteed by
30 such Surety Bond. If the Bonds are awarded to a bidder utilizing a Surety Bond, then such
31 successful bidder is required to submit its Deposit to the County not later than 12:00 p.m. (EDT)
32 on the next business day following the award in accordance with wire instructions delivered by
33 the County to such bidder. If such Deposit is not received by that time, the Surety Bond may be
34 drawn by the County to satisfy the Deposit requirement.
35

36 IF THE SUCCESSFUL BIDDER FAILS TO COMPLY WITH THE TERMS OF ITS
37 BID, THE GOOD FAITH DEPOSIT MAY BE RETAINED BY THE COUNTY AS AND FOR
38 FULL LIQUIDATED DAMAGES.
39

40 **Award of Bonds and Public Offering**

41
42 The County will not consider and will reject any bid for the purchase of less than all of
43 the Bonds. THE RIGHT IS RESERVED TO REJECT ANY AND ALL BIDS. The award, if
44 made, will be made as promptly as possible after the bids are opened to the bidder offering the
45 lowest interest rate to the County. The lowest interest rate shall be determined in accordance
46 with the true interest cost (TIC) method doubling the semiannual interest rate (compounded

1 semiannually) necessary to discount the debt service payments from the payment dates to the date
2 of the Bonds and to the price bid, excluding interest accrued to the date of delivery; provided,
3 however, that if two or more bidders have made bids, each of which represents the lowest true
4 interest cost to the County, then the Bonds shall be awarded to the bidder offering the highest
5 premium and, if the highest premium is offered by two or more such bidders or if no premium is
6 bid by any such bidders, then the Bonds may be awarded, with their consent, in a ratable portion
7 among such bidders, or the County, in its discretion, may award all of the Bonds to one bidder.
8 The judgment of the County shall be final and binding upon all bidders with respect to the form
9 and adequacy of any bid received and as to its conformity to the terms of this Notice of Sale.
10 THE SUCCESSFUL BIDDER SHALL MAKE A BONA FIDE PUBLIC OFFERING OF THE
11 BONDS AT THE INITIAL REOFFERING PRICES AND SHALL PROVIDE THE RELATED
12 CERTIFICATION DESCRIBED UNDER "CLOSING DOCUMENTS" BELOW.

13 14 **Legal Opinion**

15
16 The issuance of the Bonds will be subject to delivery of the approving opinion of
17 Royston, Mueller, McLean & Reid, LLP, Towson, Maryland, which opinion shall be
18 substantially in the form set forth as an exhibit to the Preliminary Official Statement referred to
19 below. The opinion will be delivered upon request, without charge, to the successful bidder for
20 the Bonds.

21 22 **Official Statement**

23
24 Not later than seven (7) business days after the award of the Bonds to the successful
25 bidder on the day of sale, the County will deliver to the successful bidder an Official Statement,
26 which is expected to be substantially in the form of the Preliminary Official Statement referred to
27 below. If so requested by the purchaser or purchasers at or before the close of business on the
28 date of the sale, the County will include in the Official Statement such pricing and other
29 information with respect to the terms of the reoffering of the Bonds by the successful bidder
30 ("Reoffering Information"), if any, as may be specified and furnished in writing by such bidder.
31 If no Reoffering Information is specified and furnished by the successful bidder, the Official
32 Statement will include the interest rates on the Bonds resulting from the bid of the successful
33 bidder and the other statements with respect to reoffering contained in the Preliminary Official
34 Statement. The successful bidder shall be responsible to the County and its officials for the
35 Reoffering Information, and for all decisions made by such bidder with respect to the use or
36 omission of the Reoffering Information in any reoffering of the Bonds, including the presentation
37 or exclusion of any Reoffering Information in any documents, including the Official Statement.
38 The successful bidder will also be furnished, without cost, with up to 500 copies of the Official
39 Statement and any amendments or supplements thereto.

40
41 The Preliminary Official Statement of the County concerning the Bonds (the "Preliminary
42 Official Statement") is in a form "deemed final" by the County for purposes of SEC Rule 15c2-
43 12(b)(1) (the "Rule") but is subject to revision, amendment and completion in the final Official
44 Statement.

The County will undertake to provide the successful bidder with further additional information to be included in such Official Statement, when in the opinion of the County or of Bond Counsel, such additional information constitutes a material change to such Official Statement. The County will take such steps as are necessary to arrange for amending and supplementing the Official Statement in connection with the disclosure of such additional information; provided, however, that the County shall have no obligation to provide such additional information after the date which is twenty-five (25) days after the "end of the underwriting period", as such term is defined in the Rule.

The County agrees, in order to assist bidders in complying with S.E.C. Rule 15c2-12(b)(5), pursuant to a continuing disclosure certificate (the "Continuing Disclosure Certificate") signed by the County Executive, Treasurer and Director of Administration, to provide annual reports and notices of certain events. The undertaking of the County in the Continuing Disclosure Certificate shall be set forth in any Preliminary Official Statement and Official Statement and any amendment or supplement thereto.

BIDDERS, BY SUBMITTING THEIR BIDS, AGREE TO PROVIDE THE COUNTY, SIMULTANEOUSLY WITH OR BEFORE DELIVERY OF THE BONDS, A CERTIFICATE ACCEPTABLE TO BOND COUNSEL TO THE COUNTY STATING (i) THE INITIAL REOFFERING PRICES, EXPRESSED AS A PERCENTAGE OF PAR, TO THE PUBLIC OF EACH MATURITY OF THE BONDS (THE "REOFFERING PRICES"), (ii) THAT THE SUCCESSFUL BIDDER HAS MADE A BONA FIDE PUBLIC OFFERING OF THE BONDS AT THE INITIAL REOFFERING PRICES; AND (iii) THAT A SUBSTANTIAL AMOUNT OF THE BONDS WAS SOLD TO THE PUBLIC (EXCLUDING BOND HOUSES, BROKERS AND OTHER INTERMEDIARIES) AT SUCH INITIAL REOFFERING PRICES. Bond counsel advises that (i) such certificate must be made on the best knowledge, information and belief of the successful bidder, (ii) the sale to the public of 10% or more in part amount of the Bonds of each maturity at or below the Initial Reoffering Prices would be sufficient to certify as to the sale of a substantial amount of the Bonds, and (iii) reliance on other acts as a basis for such certification would require evaluation by Bond Counsel to assure compliance with the statutory requirements to avoid the establishment of an artificial price for the Bonds.

Book-Entry Only Form

The Bonds will be issued in book-entry-only form, registered in the name of Cede & Co., as partnership nominee of The Depository Trust Company, New York, New York ("DTC") and immobilized in its custody. Principal of and interest on the Bonds will be payable to DTC or its nominee as registered owners of the Bonds. Information concerning DTC and its book-entry system is included in the Preliminary Official Statement concerning the Bonds dated _____, 2011 (the "Preliminary Official Statement") and bidders should rely solely on that material.

Interest Payment Dates

The Bonds will be dated February 1, 2011 and will bear interest from that date payable on _____, _____ and semiannually thereafter on each _____ and _____ until maturity or redemption.

Maturity Schedule

The Bonds will mature on February 1 in each of the years 2012 through 2031 inclusive, as follows (the "Maturity Schedule"):

<u>Years of</u>	<u>Annual</u>	<u>Years of</u>	<u>Annual</u>
<u>Maturity</u>	<u>Amounts</u>	<u>Maturity</u>	<u>Amounts</u>
<u>Maturity</u>	<u>Maturity</u>	<u>Maturity</u>	<u>Maturity</u>
2012	\$1,875,000	2022	\$1,875,000
2013	\$1,875,000	2023	\$1,875,000
2014	\$1,875,000	2024	\$1,875,000
2015	\$1,875,000	2025	\$1,875,000
2016	\$1,875,000	2026	\$1,875,000
2017	\$1,875,000	2027	\$1,875,000
2018	\$1,875,000	2028	\$1,875,000
2019	\$1,875,000	2029	\$1,875,000
2020	\$1,875,000	2030	\$1,875,000
2021	\$1,875,000	2031	\$1,875,000

Optional Redemption

Bonds which mature on or before _____ are not subject to redemption prior to maturity. On and after _____, the Bonds with a stated maturity on or after _____ are subject to redemption at the option of the County in whole at any time or in part on any Interest Payment Date. Such redemption shall be at the following redemption prices (expressed as a percentage of the principal amount of such Bonds), plus accrued and unpaid interest to the date fixed for redemption:

<u>Redemption Period</u>	<u>Redemption Price</u>
	_____ %
	_____ %
	_____ %

Delivery

Delivery of the Bonds is expected to occur through the facilities of DTC in New York, New York on or about February 9, 2011. The successful bidder shall pay for the Bonds on the date of delivery in Baltimore, Maryland in **IMMEDIATELY AVAILABLE FEDERAL FUNDS BY 10:00 a.m., EDT**, on the closing date. Any expenses of providing immediately available funds shall be borne by the successful bidder. Payment on the delivery date shall be

1 made in an amount equal to the price bid for the Bonds plus premium and accrued interest, if
2 any, from February 1, 2011, less the amount of the Good Faith Deposit.

3 4 **CUSIP Numbers**

5
6 It is anticipated that CUSIP numbers will be printed on the Bonds, but the County will
7 assume no obligation for the assignment or printing of such numbers on the Bonds or for the
8 correctness of such numbers, and neither the failure to print such numbers on the Bonds nor any
9 error with respect thereto shall constitute cause for a failure or refusal by the successful bidder of
10 the Bonds to accept delivery or and make payment for the Bonds.

11 12 **Closing Documents**

13
14 The Bonds will be accompanied by the customary closing documents, including a no-
15 litigation certificate, effective as of the date of delivery, stating that there is no litigation pending
16 against the County affecting the validity of the Bonds and a Tax and No Arbitrage Certificate
17 signed by the County Treasurer.

18
19 It shall be a condition to the obligation of the successful bidder to accept delivery of and
20 pay for the Bonds that, simultaneously with or before delivery and payment for the Bonds, such
21 successful bidder shall be furnished a certificate or certificates of the County Executive and
22 Treasurer to the effect that to the best of their knowledge and belief, the Official Statement (and
23 any amendment or supplement thereto) (except for the Reoffering Information, as to which no
24 view will be expressed) as of the date of sale and as of the date of delivery of the Bonds does not
25 contain any untrue statement of a material fact and does not omit to state a material fact
26 necessary to make the statements therein, in light of the circumstances under which they were
27 made, not misleading and that between the date of sale and the date of delivery of the Bonds
28 there has been no material adverse change in the financial position or revenues of the County,
29 except as reflected or contemplated in the Official Statement.

30
31 In the event that all or any part of the Bonds are initially reoffered with bond insurance
32 secured by the successful bidder, the successful bidder shall be required to notify immediately the
33 Treasurer of the County at the time of sale of such event and shall provide the Treasurer of the
34 County with any information he reasonably requests regarding such bond insurance, including
35 the amounts paid for such insurance and interest rates that the bonds would have borne should
36 the bid have occurred without bond insurance. The County will, at the request and expense of
37 the successful bidder, include customary language in the Official Statement and the form of bond
38 regarding the insurance policy upon receipt of such opinions or certificates as the County
39 reasonably may request regarding the accuracy of any information to be included in the Official
40 Statement and the binding nature of the obligations contained in the insurance policy with respect
41 to the Bonds. The County shall have no obligation to provide the successful bidder or the bond
42 insurance company with any other documents or opinions relating to the Bonds.

1 The Preliminary Official Statement, a full financial statement concerning the County, the
2 required form of proposal, and other data in reference thereto as may be desired will be supplied
3 to prospective bidders upon request made to John R. Scotten, Jr., Treasurer, 220 South Main
4 Street, Bel Air, Maryland 21014 (410-638-3316) or from the County's Financial Advisor,
5 _____, Attention:
6 _____, Telephone: _____.

7
8 Date:

9
10 HARFORD COUNTY, MARYLAND

11
12
13
14 By: _____
15 David R. Craig
16 County Executive
17

1 SECTION 14. Be it further enacted by the County Council of Harford County, Maryland
2 that upon request of the County Executive, the County Council of Harford County, Maryland
3 may, at any time, prior to the sale of the bonds, by administrative resolution(s), determine
4 whether the bonds may be sold above or below par, whether bids may be accepted electronically
5 or by facsimile, change the projects to be constructed with the proceeds of sale of the bonds and
6 the County Executive, by Executive Order may determine or change the Notice of Sale, date of
7 sale, the date or location of bid opening, the dates of maturity or redemption of the bonds, the
8 amount of the bonds to be sold (but not in excess of Thirty-Seven Million Five Hundred
9 Thousand Dollars (\$37,500,000) and the amounts of bonds maturing in each year, the interest
10 payment dates of the bonds, appoint paying agent(s) and/or registrar(s) for the bonds, whether
11 ownership of the bonds or other indebtedness shall be maintained in book entry form, and the
12 terms of sale of the bonds.

13 SECTION 15. Be it further enacted by the County Council of Harford County, Maryland
14 that immediately after the sale of the bonds, and upon written recommendation of the County
15 Executive the interest rate or rates payable thereon shall be fixed by a resolution of the County
16 Council of Harford County, Maryland in accordance with the terms and conditions of the sale of
17 the bonds. The bonds shall thereupon be suitably printed or engraved and duly executed and
18 delivered to the purchaser (or to the Depository Trust Company if the bonds are book entry) in
19 accordance with the conditions of delivery set forth in the foregoing Notice of Sale. The
20 proceeds of the sale of the bonds, including any premium and accrued interest received therefor,
21 shall be paid to the Department of the Treasury of Harford County and shall be deposited in a
22 special account of the County. The County may, at its option, deduct from the gross proceeds
23 received from the sale of the bonds the cost of issuing the same, including the cost of advertising,

1 printing and professional fees (including legal) and expenses. There shall be deducted from the
2 total gross proceeds received from the sale of the bonds the amount received on account of
3 accrued interest on the bonds, which amount shall be set apart by the Treasurer of Harford
4 County in a special fund and applied to the first maturing interest payment on the bonds. The
5 balance of the proceeds of the sale of the bonds shall be expended only to finance the Projects as
6 set forth in this Bill and as more particularly described in the Annual Budget and Appropriation
7 Ordinance, As Amended, of the County, as amended, for the year ending June 30, 2011. If the
8 funds derived from the sale of the bonds shall exceed the amount needed to finance said Projects,
9 the excess funds so borrowed and not expended by the County shall be applied by the County in
10 payment of the next principal maturity of the bonds so issued, unless the County Council of
11 Harford County, Maryland shall adopt a resolution or ordinance allocating said excess funds to
12 finance any lawful modification of such Projects, or to the extent then permitted by law, any
13 other project lawfully undertaken by the County, as may be provided by subsequent resolution or
14 ordinance approved by the County Council of Harford County, Maryland.

15 SECTION 16. Be it further enacted by the County Council of Harford County, Maryland
16 that, to the extent the recordation and transfer taxes described in Section 2 of this Bill are
17 insufficient to pay the principal of and interest on the Bonds, for the purpose of paying the
18 interest on, premium, (if any) and principal of the bonds or other indebtedness authorized by this
19 Bill, there is hereby levied and there shall hereafter be levied in each fiscal year that any of the
20 bonds or other indebtedness are outstanding, *ad valorem* taxes on real and tangible personal
21 property and intangible property subject to taxation by the County without limitation on rate or
22 amount; and, in addition, upon such other intangible property as may be subject to taxation by the
23 County within limitations prescribed by law, in an amount sufficient together with funds

1 available from other sources, to pay the annual interest on the outstanding bonds or other
2 indebtedness and to redeem the bonds or other indebtedness maturing during the succeeding
3 year; and the full faith and credit and the unlimited taxing power of the County are hereby
4 irrevocably pledged to the punctual payment of the principal of and interest on the bonds or other
5 indebtedness as and when they mature. The County by the passage of this Bill hereby covenants
6 and agrees properly and promptly to perform all of the respective acts and duties defined in this
7 Bill for the levy and collection of the aforesaid *ad valorem* tax upon all the assessable property
8 within the corporate limits of the County, as the levy and collection of such a tax becomes
9 necessary in order to meet the debt service requirements of Harford County General Obligation
10 Bonds, Series 2011. By this Bill, the County agrees to take all action it may be legally authorized
11 and empowered to take in order to enforce, in any year in which any of the bonds or other
12 indebtedness are outstanding, the guarantee of such bonds or other indebtedness by the County.

13 SECTION 17. Be it further enacted by the County Council of Harford County, Maryland
14 that the County is hereby authorized and empowered from time to time to issue its Bond
15 Anticipation Note or Notes (or other form of indebtedness) on the full faith and credit and
16 unlimited taxing power of the County in an amount not exceeding Thirty-Seven Million Five
17 Hundred Thousand Dollars (\$37,500,000), the net proceeds of such sale to be used to finance
18 part or all of the cost of the Projects; the sale of such Notes to be upon such terms as may be
19 directed by resolution of the County Council of Harford County, Maryland.

20 Such Bond Anticipation Note or Notes or other evidence of indebtedness shall provide
21 that not in excess of twelve (12) months interest from the date of issue shall be paid from the
22 proceeds of bonds issued to retire the indebtedness insured pursuant to the Bond Anticipation
23 Note.

1 The Treasurer of Harford County, Maryland, prior to the issuance of any such Bond
2 Anticipation Note or Notes or other evidence of indebtedness of the County shall present the
3 terms of such notes to the County Council of Harford County, Maryland for approval by
4 Resolution of the County Council of Harford County, Maryland prior to the issuance of such
5 Bond Anticipation Note or Notes.

6 The Bond Anticipation Note or Notes will bear interest at the rate or rates so negotiated
7 by the Treasurer and approved by Resolution of the County Council of Harford County,
8 Maryland and the Bond Anticipation Note or Notes when issued shall be issued in the name of
9 the County by the signature of the County Executive, the corporate seal of the County shall be
10 imprinted on such Bond Anticipation Note or Notes and such Bond Anticipation Note or Notes
11 shall be used only for those purposes approved in a Resolution of the County Council of Harford
12 County, Maryland adopted subsequent to the adoption of this Bill.

13 The Bond Anticipation Note or Notes shall not be issued in an amount greater than the
14 amount of bonds or other indebtedness authorized in anticipation of the sale of which the Bond
15 Anticipation Note or Notes are issued and sold.

16 The principal of and interest on the Bond Anticipation Note or Notes shall be payable out
17 of the first proceeds of sale of the bonds, or from the tax or other revenue which the County shall
18 previously determine to apply to the payment of the bonds and interest thereon.

19 Twelve (12) months interest on the Bond Anticipation Note or Notes or any renewal
20 thereof may be paid from the proceeds of sale of the bonds accounting from the initial date of
21 issue thereof.

1 By resolution adopted by the County Council of Harford County, Maryland, the County
2 may provide for the renewal of the Bond Anticipation Note or Notes at maturity with or without
3 resale.

4 Immediately after the sale of the Bond Anticipation Note or Notes and approval by
5 resolution of the County Council of Harford County, Maryland, the proceeds of sale of such
6 Bond Anticipation Note or Notes, after payment of expenses of issuing the same, shall be paid to
7 the Department of the Treasury of Harford County, Maryland. The proceeds of sale of the Bond
8 Anticipation Note or Notes shall be expended only to finance the Projects as defined above.

9 SECTION 18. Be it further enacted by the County Council of Harford County, Maryland
10 that pursuant to Treasury Regulations 1.150-2, governing the use of bond proceeds for the
11 purpose of reimbursing expenditures paid prior to the issuance of bonds, and as permitted by
12 Treasury Regulations 1.150-2(e)(1), the Treasurer of Harford County, Maryland is hereby duly
13 designated to make declarations of Official Intent on behalf of the County. The County expects
14 that all or a part of the capital expenditures for the Projects will be paid prior to the issuance of
15 the Bonds, and that the proceeds of the Bonds will be used to reimburse the County for capital
16 expenditures paid prior to the issuance of the Bonds. The County reasonably expects to
17 reimburse a portion of the capital expenditures for the Projects with proceeds of the Bonds, in the
18 maximum principal amount of Twenty-Five Million Dollars (\$25,000,000), and this Bill shall be
19 available for public inspection at the offices of the County during regular business hours and in
20 accordance with the laws of the State of Maryland and the County, regarding access to public
21 records.

1 SECTION 19. Be it further enacted by the County Council of Harford County, Maryland
2 that the County covenants and agrees with the registered owners, from time to time, of the Bonds
3 as follows:

4 (a) The County covenants that it will not make any use of the proceeds of any of
5 the Bonds or any moneys, securities or other obligations on deposit to the credit of the County or
6 otherwise which may be deemed by the Internal Revenue Service to be proceeds of any of the
7 Bonds pursuant to the Internal Revenue Code of 1986, as amended, and Income Tax Regulations
8 thereunder (collectively, the "Code"), which would cause any of the Bonds to be "arbitrage
9 bonds" or "private activity bonds" within the meaning of the Code.

10 (b) The County further covenants that it will comply with those provisions of the
11 Code which are applicable to the Bonds on the date of issuance of the Bonds and which may
12 subsequently lawfully be made applicable to the Bonds. To the extent that provisions of the
13 Code apply to only a portion of the Bonds, proceeds of the Bonds or other moneys, securities or
14 other obligations deemed to be proceeds, it is intended that the covenants of the County
15 contained in this Section 19 be construed so as to require the County to comply with the
16 provisions of the Code only to the extent of such applicability.

17 (c) The County further covenants that it will not (i) take any action, (ii) fail to
18 take any action, or (iii) make any use of the proceeds of any of the Bonds which would cause the
19 interest on any of the Bonds to be or become subject to federal income taxes in the hands of the
20 registered holders of any of the Bonds.

21 (d) The County further covenants, in order to assist bidders in complying with
22 SEC Rule 15c2-12(b)(5), pursuant to a continuing disclosure agreement (the "Continuing
23 Disclosure Agreement") signed by the County Executive, Treasurer and Director of

1 Administration, to provide annual reports and notices of certain events. The undertaking of the
2 County in the Continuing Disclosure Agreement shall be described in any Preliminary Official
3 Statement and Official Statement and any amendment or supplement thereto.

4 SECTION 20. Be it further enacted by the County Council of Harford County, Maryland
5 that upon recommendation of the County Executive, the County Council of Harford County,
6 Maryland may adopt a resolution pursuant to Article 31, Section 2C of the Annotated Code of
7 Maryland (2003 Replacement Volume; 2009 Supplement) authorizing the loan authorized to be
8 incurred and the bonds authorized to be sold by this Bill, to be consolidated for sale and issued,
9 sold and delivered as a single issue of bonds with other bonds authorized to be sold to finance
10 capital projects described in the Annual Budget and Appropriation Ordinances, as amended, for
11 the current fiscal year and/or prior or subsequent fiscal years.

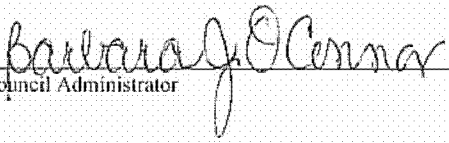
12 SECTION 21. Be it further enacted by the County Council of Harford County, Maryland
13 that the provisions of this Bill are severable, and if any provision, sentence, clause, section or
14 part hereof is held illegal, invalid or unconstitutional or inapplicable to any person or
15 circumstances, such illegality, invalidity or unconstitutionality, or inapplicability shall not affect
16 or impair any of the remaining provisions, sentences, clauses, sections or parts of this Bill or their
17 application to other persons or circumstances. It is hereby declared to be the legislative intent
18 that this Bill would have been passed if such illegal, invalid or unconstitutional provision,
19 sentence, clause, section or part had not been included herein, as if the person or circumstances to
20 which this Bill or any part hereof are inapplicable had been specifically exempted therefrom.

21 SECTION 22. And be it further enacted by the County Council of Harford County,
22 Maryland that this Bill shall take effect sixty (60) calendar days from the date it became law.

23 EFFECTIVE: August 16, 2010

BILL NO. 10-18

The Council Administrator of the Council does hereby certify that fifteen (15) copies of this Bill are immediately available for distribution to the public and the press.


Council Administrator

HARFORD COUNTY BILL NO. 10-18

Brief Title General Obligation Bonds

is herewith submitted to the County Council of Harford County for enrollment as being the text as finally passed.

CERTIFIED TRUE AND CORRECT

Barbara J. O'Connor
Council Administrator

Date June 15, 2010

ENROLLED

Billy Boniface
Council President

Date June 15, 2010

BY THE COUNCIL

Read the third time.

Passed: LSD 10-16

Failed of Passage: _____

By Order

Barbara J. O'Connor
Council Administrator

Sealed with the County Seal and presented to the County Executive for approval this 16th day of June, 2010 at 3:00 p.m.

Barbara J. O'Connor
Council Administrator



BY THE EXECUTIVE

David R. Craig
COUNTY EXECUTIVE

APPROVED: Date June 17, 2010

BY THE COUNCIL

This Bill No. 10-18 having been approved by the Executive and returned to the Council, becomes law on June 17, 2010

EFFECTIVE DATE: August 16, 2010

Barbara J. O'Connor / MKH
Barbara J. O'Connor
Council Administrator